

AMENDED IN SENATE MAY 18, 2005

AMENDED IN SENATE APRIL 18, 2005

**SENATE BILL**

**No. 1061**

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**Introduced by Senator Dutton**

February 22, 2005

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An act to amend Section 14670 of the Government Code, relating to state property.

LEGISLATIVE COUNSEL'S DIGEST

SB 1061, as amended, Dutton. State property leases.

Existing law generally authorizes the Director of General Services to let for a period not to exceed 5 years, any real or personal property of the state, the letting of which is not expressly prohibited by law, if he or she deems it in the best interest of the state.

This bill would authorize the director to execute lease agreements for a period exceeding 5 years, under terms and conditions the director deems to be in the best interest of the state if not less than ~~30~~ 60 days, or a lesser period if permitted by an appropriate committee chair, prior to its execution, he or she notifies in writing the chairpersons of specified legislative committees of his or her intention to enter into the agreement. It would require a copy of this notice to be provided to any person upon request. It would specify that the authority of the director to lease real property under these provisions includes the authority for specified acts, and would make various clarifying changes.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

SECTION 1. Section 14670 of the Government Code is amended to read:

14670. (a) With the consent of the state agency concerned, the director may do any of the following:

(1) (A) Let for a period of not to exceed five years, any real or personal property that belongs to the state, the letting of which is not expressly prohibited by law, under terms and conditions the director deems to be in the best interest of the state.

(B) The director may execute lease agreements for a period exceeding five years pursuant to this paragraph, under terms and conditions the director deems to be in the best interest of the state, if not less than ~~30~~ 60 days prior to its execution, he or she notifies in writing the chairperson of the committee in each house that considers appropriations, and the Chairperson of the Joint Legislative Budget Committee, or his or her designee, of his or her intention to enter into the agreement. ~~The~~ *Notification pursuant to this subparagraph shall be made while the Legislature is in session, and may not be made while the Legislature is in recess, but the chairperson of a committee may determine a lesser notification period prior to execution. A copy of the notice shall be provided to any person who requests the copy in writing. The committees may hold hearings on the proposed lease agreement, and may respond to the director with any findings resulting from the hearings.*

(2) Sublet any real or personal property leased by the state, the subletting of which is not expressly prohibited by law, if he or she deems the subletting is in the best interest of the state.

(3) (A) Let for a period not to exceed five years, and at less than fair market rental, any real property of the state to any public agency for use as nonprofit, self-help community vegetable gardens and related supporting activities, subject to all of the following conditions:

(i) Parcels let for those purposes shall not exceed five acres.

(ii) Two or more contiguous parcels shall not be let for those purposes.

(iii) Parcels shall be let subject to applicable local zoning ordinances.

1 (B) The Legislature finds and declares that any leases let at  
2 less than fair market rental pursuant to this paragraph shall be of  
3 broad public benefit.

4 (b) The director's authority to lease real property under this  
5 section shall include, but not be limited to, the authority to lease  
6 portions of buildings, facilities, and land occupied in part by state  
7 agencies, to private parties and other public agencies, for office,  
8 residential, parking, and commercial uses. The director's  
9 authority shall also include the authority to pledge, subordinate,  
10 hypothecate, or permit the assignment of these leases in  
11 connection with financing to be obtained by any lessee or  
12 sublessee.

13 (c) Any moneys received in connection with paragraph (1) of  
14 subdivision (a) shall be deposited in the General Fund for  
15 appropriation as provided in Section 15863. Any expenditures in  
16 connection with that letting may be allocated from the  
17 appropriation pursuant to Section 15863.

18 (d) All moneys received pursuant to paragraph (2) of  
19 subdivision (a) shall be accounted for to the Controller at the  
20 close of each month and on order of the Controller be paid into  
21 the State Treasury and credited to the appropriation from which  
22 the cost of the lease was paid.